

Missouri Born Fowler Hamilton to Direct Aid Program Bigger Than the Marshall Plan

New Agency to Spend \$2,500,000,000 Annually for Five Years.

By

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FROM THE TIME President Kennedy was elected, the name of Fowler Hamilton, 50-year-old son of a prominent western Missouri family who became an eminent international lawyer, had been on the list for a high administrative post in the Federal Government.

Among other offices he was considered in White House recruiting circles for Attorney General, Secretary of the Army and quite recently and more definitely, for director of the Central Intelligence Agency.

THIS WEEK, the President, to the surprise of those uninformed about Hamilton's wide and varied experience in government and law, nominated him as administrator of the new Agency for International Development—AID—which will revamp and extend the American foreign aid programs which have been conducted primarily by the International Co-operation Administration and the Development Loan Fund.

In addition, the administrator will have new authority to coordinate these operations with the Government's other lending agencies and the economic and social aid programs of other free nations.

IN HIS NEW POSITION, Hamilton will rank as an Under Secretary of State, have two deputies, nine assistants, 51 super-grade administrative officers and jurisdiction over 12,856 personnel in the old ICA alone.



FOWLER HAMILTON

Under the aid authorization bill enacted this session, he and his associates will be able to plan five years in advance. Congress refused to accept the so-called "backdoor" financing arrangement which would have permitted AID to get money directly from the Treasury for the Development Loan Fund. A compromise was reached, however, to enable the agency to make commitments in the next five years for low interest loans up to 50 years, with a limited understanding that Congress would appropriate the necessary funds. \$1,200,000,000 for the current fiscal year and \$1,500,000,000 for each of the next four years, a total of \$7,200,000,000.

The over-all authorization for this year was \$4,200,000,000 but this included \$1,700,000,000 for military aid which will be administered by the Defense Department.

The actual amount available for all purposes will depend on the appropriation bill in conference now between a joint House and Senate committee. In general, it is estimated that AID will have supervision over the spending of about \$2,500,000,000 annually for the next five years, which puts it in the class of the Marshall Plan which was successful in the postwar rehabilitation of western Europe.

OPERATIONS by AID will be more extensive and complicated than those of the Marshall Plan under Paul G. Hoffman, the energetic administrator and super-salesman who recruited an exceptionally high type of Washington and overseas officials to carry out the program.

Much of the success of the new operation will depend on Hamilton's ability to persuade competent persons to make the personal financial sacrifices to staff the new agency. At a salary of \$22,500 a year Hamilton is taking a sharp reduction in the income he has received from his senior partnership in the Wall Street law firm of Cleary, Gottlieb, Steen & Hamilton, which has branches in Washington, New York, and London.

He Is Reported to Have Received Kennedy Order to Clean House.

After agreeing with Attorney General Robert F. Kennedy to accept the appointment, Hamilton conferred with the President while Mr. Kennedy was putting on his white tie for a ceremonial dinner for President Manuel Prado of Peru. In this informal setting, the Chief Executive is reported to have

emphasized that he wanted a "house cleaning" of the whole foreign aid organization and promised Hamilton a veto power on top appointments.

BEFORE Hamilton's appointment was announced, many thought that George D. Woods, board chairman of the First Boston Co., a New York investment firm, had the inside track for the administratorship.

Woods, it was disclosed by the White House, asked that his name be withdrawn from consideration after several liberal Democratic Senators said they would oppose his confirmation because of First Boston's connection with the Dixon-Yates scandal. In this affair, Adolphe H. Wenzell, a First Boston officer, acted in a dual capacity as a consultant in the Budget Bureau on the contract the Atomic Energy Commission signed for a private power plant to prevent the Tennessee Valley Authority from expanding its operations. The Supreme Court upheld the Government's charge that Wenzell had violated the conflict of interest law. It is said that Woods had started recruiting top officials for the new agency.

The other name under consideration earlier was that of Henry R. Labouisse, a former State Department foreign service officer, whom the President, at the start of his administration, appointed Administrator of the ICA, which will be abolished when AID is set up.

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